FDA Op-Eds
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President Clinton has found a new issue to champion as he prepares to run for reelection this year -- children and tobacco. However, the plan President Clinton announced last summer -- FDA regulation of tobacco products -- won't help curb tobacco consumption.

Tobacco is a legal product supporting, directly or indirectly, hundreds of thousands of jobs. The President's plan will not achieve its objectives, and it certainly will harm our economy, eliminating thousands of jobs and increasing the federal budget deficit. The plan also will have a direct -- and negative -- impact on state and local governments, which are being asked to shoulder more of the burden and cost of government as the federal government is downsized.

Let's be honest. Giving the Food and Drug Administration jurisdiction to regulate tobacco, as the Administration has proposed, inevitably will lead to a new era of Prohibition.

By law, the FDA is required to verify that the products it regulates are "safe and effective" for their intended use. Notwithstanding some creative statutory gymnastics, the FDA has not succeeded in writing this standard out of the laws that it proposes to apply to tobacco. In a letter sent to an anti-tobacco group early last year, Commissioner Kessler himself wrote that FDA jurisdiction over tobacco ultimately could mean the "removal from the market of tobacco products containing nicotine at levels which cause or satisfy addiction."

Accordingly, FDA jurisdiction over tobacco products would spell disaster for everyone who depends on tobacco products for some portion of their livelihood.

How many people are we talking about?

To begin with, nearly 700,000 people are directly employed either as producers and marketers of tobacco products or as suppliers of goods and services to the tobacco industry in the United States. The ripple effect of throwing nearly 700,000 people out of work would affect more than an additional 1.5 million jobs, by some estimates.

In all, some 2.2 million jobs and $66.7 billion in wages could be lost or adversely affected.

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Significant tax revenue would disappear. Workers in the core tobacco industry pay approximately $10 billion every year in federal income taxes. The 1.5 million Americans whose jobs are created, in whole or in part, by tobacco industry expenditures, pay an additional $15.3 billion.

Last year, the federal government collected $5.6 billion in cigarette excise taxes. The states collected $6.7 billion in excise tax revenue. Local cigarette taxes contributed another $18.4 million, and local and state sales taxes on cigarettes added yet another $2 billion to the pot.

This adds up to almost $40 billion of tax revenue that will disappear and will have to be replaced with other taxes if tobacco is banned.

Making tobacco "contraband" will surely increase criminal activity. According to Canadian law enforcement experts, criminal gangs from around the world were drawn into an enormously lucrative smuggling business by Canada's enormous cigarette tax hike, forcing the government to roll back the taxes.

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